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Admitted In: MA

July 17, 2014

The Honorable Janet Sanders  
Associate Justice  
The Superior Court, Business Law Section  
Suffolk County Courthouse, 13<sup>th</sup> Floor  
Three Pemberton Square  
Boston, MA 02108

RE: Commonwealth of Massachusetts v. Partners Healthcare System, Inc., et al,  
Superior Court, C.A. No.: 14-2033-BLS

Dear Judge Sanders:

My name is Tom Reilly. I am Of Counsel to the Boston law firm of Manion Gaynor & Manning LLP and a former Attorney General for Massachusetts (1999-2007). I offer my comments for your consideration regarding the proposed Consent Judgment in the above-titled matter.

Throughout my tenure as Attorney General, I and my staff devoted significant time and resources to major challenges in our health care system. These challenges included, among others, the Harvard Pilgrim receivership in 2000, the monitoring of a large number of financially struggling hospitals throughout Massachusetts and allegations of unfair practices and anti-competitive behavior in greater Springfield and eastern Massachusetts.

In eastern Massachusetts, the allegations of anti-competitive behavior were centered on the Partners Health Care System. To deal with these and other issues regarding health care, I met on a regular basis with critics of Partners, including competitors, insurers, academics and other knowledgeable parties.

I took the Partners critics' concerns seriously, although many of the remedies proposed involved policy changes more properly within the purview of the legislature. It was also clear to me and my staff that while Partners was obviously large and dominant, we faced serious challenges to a successful prosecution under the anti-trust laws in place at that time. For the most part, the state of the law remains the same and, in my opinion, the Attorney General would continue to face significant challenges in an anti-trust case against Partners.

Given these obstacles, what the Attorney General has achieved in the proposed judgment is quite impressive and I commend her and her staff for the action they have taken. While the consent agreement allows the proposed acquisitions to take place, the terms of the proposed agreement, in my opinion, impose significant restrictions on Partners which are clear, meaningful and enforceable. For example, the agreement includes restrictions on how Partners

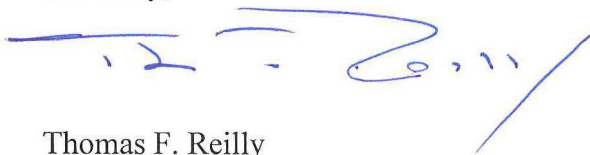
The Honorable Janet Sanders  
Page 2

can negotiate contracts with health insurers and restrictions on growth of not only its hospital network, but its physician network as well. It also provides a cap on Partners' future rate increases. The use of these kinds of restrictions can be an effective tool in dealing with competitive concerns raised by mergers in a dynamic health market.

In conclusion, I believe the Attorney General, in submitting the proposed Consent Judgment, is acting appropriately and in the public interest. I respectfully request this Court to approve it.

In the interest of full disclosure, I have represented Partners on a limited basis in the past on matters completely unrelated to the subject matter of this action. Those matters have long since been concluded and I do not expect to represent Partners in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. F. Reilly', with a long horizontal line extending to the right.

Thomas F. Reilly

TFR/aaa  
#1295803

cc: Christopher Barry-Smith, First Assistant Attorney General  
Brent Henry, General Counsel, Partners Healthcare System